

# Exhibit 18

3       IN RE:    NATIONAL                                 :   HON. DAN A.  
          PRESCRIPTION OPIATE                         :   POLSTER  
4       LITIGATION                                       :   MDL NO. 2804

9 The County of Cuyahoga v. :  
Purdue Pharma Purdue Pharma :  
L.P., et al., Case No. :  
0 18-OP-45090 :

Page 134

1 A. I do.

2 Q. So if I refer to your five  
3 approaches, will you understand that I'm  
4 referring to those five approaches as  
5 I've just read them out?

6 A. Yes.

7 Q. Did you apply any other  
8 approaches aside from those five in  
9 reaching your conclusions?

10 A. Not with respect to the  
11 conclusions I reached in Section 9 at  
12 least.

13 Q. Okay. From where did you  
14 get the five approaches that you apply in  
15 Section 9?

16 A. From discussions with  
17 counsel.

18 Q. Who? Is it the same list of  
19 people that we discussed earlier today?

20 A. Yes. There may be some  
21 additional lawyers whose names didn't  
22 come to mind when I was giving you the  
23 names of people I interacted with  
24 earlier.

Page 135

1 Q. Anyone come to mind?

2 A. It would be -- it would be  
3 something like that list and perhaps  
4 more.

5 Q. Anyone in particular that  
6 you think you left out earlier that comes  
7 to mind?

8 A. No.

9 Q. Did you get any input on  
10 these five approaches from any of your  
11 discussions with current or former DEA  
12 agents?

13 A. No.

14 Q. Did you take any other step  
15 to verify with the DEA that any or all of  
16 these approaches are appropriate in this  
17 setting?

18 A. I'm sorry. I don't know  
19 what you mean by any other, but I didn't  
20 do anything other than serve as the  
21 computer, you referred to me as earlier.  
22 I took these approaches and implemented  
23 them, applied them to the data. That's  
24 what I did.

Page 136

1 Q. Okay. So just so that I can  
2 make sure that I have it all straight.  
3 So you got the five approaches from  
4 plaintiffs' counsel, and you applied them  
5 to the data, and that's it, with respect  
6 to Section 9?

7 A. Correct.

8 Q. So it's fair to say that any  
9 one of these approaches could be or could  
10 not be appropriate for use in this  
11 particular setting; you're just not  
12 taking an opinion on that one way or the  
13 other?

14 A. Right. I think other  
15 witnesses are going to deal with that  
16 issue.

17 Q. And just to make sure I'm  
18 totally clear, you're not opining  
19 anywhere that any of these approaches is  
20 or is not required by law in any way?

21 A. Correct.

22 Q. I think you mentioned  
23 earlier that there are certain  
24 assumptions that are built into your

Page 137

1 approaches. Do you remember mentioning  
2 that?

3 A. Yes.

4 Q. Let's take a look at Page  
5 100 -- sorry, Paragraph 131 of your  
6 report.

7 This is under the Heading A,  
8 "Maximum Monthly Trailing Six-Month  
9 Thresholds."

10 Do you see that?

11 A. Yes.

12 Q. Okay. And in this  
13 paragraph, it starts, "Under the first  
14 approach, I identify transactions that  
15 cause the number of dosage units shipped  
16 by a distributor to a pharmacy in a  
17 calendar month to exceed the highest  
18 number of dosage units shipped by the  
19 distributor to the pharmacy in any one of  
20 the six preceding calendar months."

21 Did I read that correctly?

22 A. Yes.

23 Q. And then you go on and you  
24 have an example, right? It says, "For

<p style="text-align: right;">Page 146</p> <p>1 if it's exactly what you</p> <p>2 described. But we -- we did other</p> <p>3 analysis.</p> <p>4 BY MS. McENROE:</p> <p>5 Q. Without that assumption</p> <p>6 about the first triggering transaction</p> <p>7 flagging the remainders?</p> <p>8 A. Correct.</p> <p>9 Q. Across the different -- the</p> <p>10 five different approaches?</p> <p>11 A. I don't recall whether that</p> <p>12 is correct or not.</p> <p>13 Q. So you don't know one way or</p> <p>14 the other, but you may have?</p> <p>15 A. Correct.</p> <p>16 Q. And do you have a sense of</p> <p>17 the difference that this one assumption</p> <p>18 makes about flagging the subsequent</p> <p>19 transactions in terms of the number of</p> <p>20 transactions or the proportion of</p> <p>21 transactions that are flagged?</p> <p>22 MR. MOUGEY: Objection.</p> <p>23 THE WITNESS: I have some</p> <p>24 general intuition. I don't</p>	<p style="text-align: right;">Page 148</p> <p>1 Q. What do you mean by a</p> <p>2 flagged transaction?</p> <p>3 A. Well, for my purposes it's</p> <p>4 just a -- an example we were looking at a</p> <p>5 minute ago, a fairly simple, if-then</p> <p>6 step. I think of everything I -- I've</p> <p>7 done here in terms of what you can do in</p> <p>8 Excel. And so imagine that you've got</p> <p>9 numbers in two columns and you've got a</p> <p>10 rule that says if Column A exceeds</p> <p>11 Column B, put a one in that cell. And I</p> <p>12 would think of that one as a flag. And</p> <p>13 the absence of that one, signifying that</p> <p>14 A does not exceed B, being an unflagged</p> <p>15 transaction.</p> <p>16 And then it's only a slight</p> <p>17 further modification to say in that third</p> <p>18 column, it's a one if A exceeds B or if</p> <p>19 the column above -- the value above is</p> <p>20 one. And then you would just fill in</p> <p>21 ones in every cell after the first time A</p> <p>22 exceeds B.</p> <p>23 And all I mean by flagging</p> <p>24 is that it's got that checkmark or one</p>
<p style="text-align: right;">Page 147</p> <p>1 have -- I don't -- I don't have a</p> <p>2 quantified answer for you. But I</p> <p>3 have a general intuition.</p> <p>4 BY MS. McENROE:</p> <p>5 Q. What's your general</p> <p>6 intuition?</p> <p>7 A. Well, because for most of</p> <p>8 these defendants, you see a substantial</p> <p>9 increase over time, especially leading up</p> <p>10 to 2010 or 2011. If you reset that</p> <p>11 trailing six-month maximum to be the</p> <p>12 maximum of the most recent six months,</p> <p>13 then you end up with fewer transactions</p> <p>14 being flagged.</p> <p>15 Q. Okay. So it would be a</p> <p>16 downward trend if you took away the</p> <p>17 assumption about the subsequent</p> <p>18 transactions being flagged?</p> <p>19 A. Correct.</p> <p>20 Q. We've been using the</p> <p>21 terminology of a transaction being</p> <p>22 flagged. And that's language you used in</p> <p>23 your report as well, correct?</p> <p>24 A. Correct.</p>	<p style="text-align: right;">Page 149</p> <p>1 for that transaction and everything that</p> <p>2 follows it.</p> <p>3 Q. Are you of the opinion that</p> <p>4 a flagged transaction means that that</p> <p>5 transaction represents a suspicious</p> <p>6 order?</p> <p>7 A. That's way beyond my report,</p> <p>8 I think.</p> <p>9 Q. Are you --</p> <p>10 A. I'm sorry, I apologize. I</p> <p>11 don't have an opinion one way or the</p> <p>12 other. If -- if you inferred from my</p> <p>13 answer that I think it means that it is</p> <p>14 not a suspicious order, I didn't mean</p> <p>15 that. I just mean I don't have an</p> <p>16 opinion one way or the other.</p> <p>17 Q. Understood. But just to</p> <p>18 make sure we are speaking the same</p> <p>19 language. It's fair to say that you are</p> <p>20 not taking the opinion that a flagged</p> <p>21 transaction is necessarily a suspicious</p> <p>22 order?</p> <p>23 A. Correct.</p> <p>24 Q. And it's also fair to say</p>

<p style="text-align: right;">Page 150</p> <p>1 that you are not saying that a flagged 2 transaction is necessarily illegal or 3 representative of illegal conduct? 4 A. Correct. 5 Q. It's also fair to say that a 6 flagged transaction in your opinion does 7 not necessarily mean there's been a 8 failure of due diligence? 9 A. Correct. 10 Q. I want to take a look real 11 quick specifically at this first 12 approach, the maximum monthly trailing 13 six-month threshold. 14 And I want to -- your -- 15 your -- strike that. 16 Your example here is very 17 helpful for understanding it, so I 18 appreciate that. 19 But I want to get an 20 understanding for, in practical terms, 21 various of the defendants for different 22 reasons may have gaps in their data. So 23 for example, they may have been serving a 24 pharmacy for a period of time, the</p>	<p style="text-align: right;">Page 152</p> <p>1 there's been a gap there. 2 If the pharmacy purchases 3 from the distributor again in 4 January 2008, how do you set that 5 threshold when you pick up again with the 6 distribution to that pharmacy? 7 A. Well, that's a good 8 question. That's a hypothetical I hadn't 9 thought of. I'd have to look at the data 10 and see the -- and see how -- how 11 significant that is. 12 A slight variant on your 13 hypothetical would be if -- if the 14 pharmacy had bought from the distributor, 15 let's say in four of the previous six 16 months, then it would be just as I 17 described it there in the example. If 18 you imagine in -- in March and May the 19 quantity is zero, so that the quantities 20 are 5,000, 7,000, 9,000, and 9,500, then 21 it still would be the case that if a 22 transaction in August put you past, in 23 this hypothetical, 9,500, not 10,000, you 24 would flag the transaction.</p>
<p style="text-align: right;">Page 151</p> <p>1 pharmacy switched to a different 2 distributor, and then went back to that 3 distributor. 4 Are you familiar with those 5 kinds of changes or variations in the 6 data, just speaking generally? 7 A. Yes. 8 Q. Okay. How were gaps in the 9 data or entries without anything included 10 handled in figuring out the maximum 11 monthly trailing six-month threshold? 12 A. I'm sorry, I don't think I'm 13 understanding that question. 14 Q. Sure. So I have a 15 hypothetical for you. We can try and 16 walk through it to see if that helps to 17 clarify. 18 A. Okay. 19 Q. We have a pharmacy 20 purchasing from a distributor in January 21 through June, let's say of 2007. I'm 22 just picking a year. But does not 23 purchase from that distributor from July 24 through December of 2007. Okay? So</p>	<p style="text-align: right;">Page 153</p> <p>1 So blanks in the six-month 2 window don't affect the calculation. The 3 conditional statement is still, if the 4 cumulative transactions that month exceed 5 the highest of the preceding six calendar 6 months, you flag the transaction. 7 We don't ever flag a 8 transaction in the first -- at least 9 under this methodology, in the first six 10 months of the purchases from a 11 distributor. But if a pharmacy is buying 12 from a distributor and then there's a gap 13 of greater than six months, six months or 14 greater, I'd have to think through and 15 maybe just check and see how that is 16 handled. It -- whether we handle it as 17 restarting the clock, but I just don't 18 recall as I sit here. 19 Q. Do you know if you guys 20 input, you and your staff I should say, 21 input any threshold or baseline, if there 22 was no data included, so you would pick a 23 number and put it in there? 24 A. No, not for that purpose.</p>